

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6388

BILL NUMBER: HB 1424

NOTE PREPARED: Jan 16, 2004

BILL AMENDED:

SUBJECT: Payments in lieu of taxes.

FIRST AUTHOR: Rep. Saunders

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires payments in lieu of taxes on property exempt from property taxes, except for certain property used for governmental, educational, and religious purposes.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The proposal requires not-for-profit entities to make payments in lieu of taxes (PILOTS). Any governmental entity or not-for profit entity that is established for a religious or educational purpose would be exempt. This proposal would require not-for-profit entities that are not governmental or religious or educational to pay PILOTS. Examples of not-for-profits that would not be exempt would include service organizations, such as the Lions Club and the Elks, or literary establishments, such as the Indiana Writer's Center. The amount of revenue that would be generated by such PILOTS is indeterminable. PILOTS would be payable in calendar years that begin after December 31, 2003.

Total local revenues would remain unchanged. The property tax rate for a political subdivision must be calculated in an amount that results in the imposition of combined property taxes and PILOTS in the political subdivision in an amount equal to the amount of property taxes that would be imposed in the political subdivision if no PILOTS applied. ("Political subdivision" means a county, township, city, town, separate municipal corporation, special taxing district, or school corporation.) PILOTS are imposed as property taxes

are imposed and are based on the assessed value of the tangible property

State Agencies Affected:

Local Agencies Affected: Political subdivisions.

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586